



August 31, 2007

The Honorable Mark Sanford
Governor of South Carolina
Office of the Governor
Post Office Box 12267
Columbia, South Carolina 29211

Dear Governor Sanford:

Dear Governor Sanford:

The University of South Carolina system educates over 43% of the total population of postsecondary students in our state. It takes a tremendous commitment of resources to meet the primary purpose of our institutions to provide a broad, comprehensive education that will continue to produce citizens who contribute vitally to the quality of life for all South Carolinians. The attached budget request describes and justifies the State financial support needed in order to help satisfy our educational goals and objectives. The request reflects many of our institutional priorities and the various initiatives are summarized below.

Columbia Campus

The Columbia campus is requesting support of the **Faculty Excellence Initiative** recruitment and retention program. This program is essential to fulfill the institution's mission of providing its students with outstanding scholars to enrich their educational experience. The University has successfully improved each year's freshman class by attracting top-notch students who are eager to obtain a quality education. In addition, the institution is experiencing unprecedented enrollment growth as more students are attracted to the University of South Carolina. Today, more than ever before, we are keeping large numbers of South Carolina's best and brightest here to learn and ultimately enrich our communities and businesses. Now, we must provide faculty scholars who will provide the vision and talent to produce successful citizens.

OneCarolina is the University System's multi-year initiative to replace its outdated administrative computing applications, including Student Information Systems, Finance, Sponsored Programs, and Human Resources into one easily-accessible, Web-based system. This change in technology is necessary to manage the University System in a professional manner that is both cost effective and responsive to our constituents.

Many faculty recruitments require large start-up outlays for equipment, providing staff support, and hiring associate faculty. The **Strategic Faculty Development** initiative will advance our ability to recruit a diverse, high-quality faculty work force in sufficient numbers to meet the high standards demanded of an education that prepares our students for the modern, knowledge-based environment they will encounter.

The University of South Carolina's Division of Law Enforcement and Safety has long been committed to providing a safe, secure environment for students, staff and faculty. This commitment is reinforced by recent tragic events on our nation's campuses. In our **Campus Health, Security & Life Safety** initiative, we seek resources for installation of access control systems to make buildings more secure, additional call boxes for notifying authorities of emergencies, video systems to enhance surveillance, and a campus-wide alert system. Moreover, additional personnel positions are needed to support the University's enhanced security efforts.

SC LightRail is an innovative plan that will benefit all citizens of the State of South Carolina by improving communications among healthcare organizations, research units, and educational institutions. **SC LightRail** is a collaborative project involving participation by the Medical University of South Carolina, Clemson University, the University of South Carolina, and Health Sciences South Carolina which will improve healthcare for the citizens of South Carolina. Scientists and researchers need the network capacity of **SC LightRail** in order to take full advantage of the grid/high performance computing opportunities offered through the SURA/IBM partnership.

Long recognized for innovation and excellence in international programs, the University of South Carolina seeks support of its **Global Competitiveness Initiative** in order to expand the level of participation by our students and faculty in the world about us. There is mounting pressure placed on our universities to develop and sustain curricula that will prepare our students to compete and thrive in the global economy. The **Global Competitiveness Initiative** will allow the University to expand its successful study-abroad program, acquire more offshore internships for students, and extend participation in exchange programs by more students, including those whose financial constraints might otherwise preclude them from experiencing these important activities.

The **Student Partners in Academic Research (SPAR)** program will provide an enriched academic experience for the University's undergraduate and graduate students through research opportunities in all disciplines from science, technology and medicine to theatre, music and art. Through faculty mentoring relationships and exposure to live professional research experiences, students may attain in-depth knowledge not achievable in ordinary classroom settings.

In partnership with the Greenville Hospital System and Palmetto Health, the University plans to extend its research capabilities to those health care providers to provide immediate advances in diagnosis, treatment and prevention by way of the **South Carolina Health Advancement** initiative. This will lead to improved healthcare initially for significant segments of the state's population, and research findings resulting from the initiative ultimately will lead to improvements in the health of all South Carolina citizens.

Capital Budget Priorities

The USC Columbia campus is comprised of 163 buildings on 384 acres situated in the heart of the state. The Columbia campus has identified three capital budget priorities: the School of Law building replacement, the historic Gibbes Green renovations, and the renovation/addition to the Moore School of Business. Funding of capital projects is a high priority as we strive to achieve excellence in all aspects of the institution's mission.

The condition of facilities is a vital consideration when programs are under review for accreditation. Reducing deferred maintenance is a primary goal of the University in order to protect state resources and enhance the learning environment. The amount of deferred maintenance for the Columbia Campus as listed in the CHE 2003 Update is \$150,513,637. Recently, a comprehensive building quality survey was completed for the Columbia Campus which indicates the actual

deferred maintenance is in excess of \$500 million. A State capital improvement bond bill is critical to the reduction of this backlog.

State Funding Priorities

The University of South Carolina fully supports retaining the full \$30,000,000 in funding from the Education Lottery for the Endowed Chairs program. South Carolina's students also benefit from the program. Increasing the level of training we can provide allows us to keep our best and brightest at home, helping to end our talent export. We encourage our state's leaders not to look at funding the Endowed Chairs program as an appropriation, but rather as an investment -- a smart investment that will fuel innovation, enhance economic opportunity, and lead to a stronger South Carolina.

South Carolina's political leadership should be commended for creating and supporting the Centers of Economic Excellence Program during the last five years. This visionary initiative leverages state and private funds along with university-based research to drive economic growth in areas such as nanotechnology, health sciences, future fuels, energy alternatives, automotive engineering, and advanced fibers with the greatest promise to create high-skill, high-paying jobs. This model has created a magnet for private-sector investment in South Carolina.

The state's three research universities -- Clemson University, the University of South Carolina, and the Medical University of South Carolina -- are using the program to benefit our state. In addition to increased research collaboration among the three institutions, we are now able to get the attention of the world's best scientists and graduate students.

Last year, approximately 90 people, including representatives from the Legislature, various state offices, the South Carolina Hospital Association and all USC nursing deans formulated "One Voice – One Plan" to address the critical shortages of nurses across South Carolina. The plan received an initial investment of \$1,000,000 for FY2008. The University of South Carolina System is combining internal resources and collaborating with other institutions to support the state-wide coordinated, comprehensive workforce plan and strongly supports the funding request for the South Carolina Critical Needs Nursing Initiative.

The University of South Carolina system supports an increase to the Need-Based Grants program administered by the South Carolina Commission on Higher Education. The Need-Based Grants program is a worthwhile investment in the state's neediest students by providing the financial resources to pursue a degree in higher education. A major contributor to the success of the state's economic competitiveness is the level of education held by its population.

USC supports an increase for the Experimental Program to Stimulate Competitive Research (EPSCoR) to fund the IDeA program - Institutional Development Awards. An increase in funding will enable EPSCoR to become more competitive in securing federal research funds. The South Carolina EPSCoR/IDeA program identifies, develops, and uses academic science and technology resources to increase South Carolina's research and development competitiveness and support economic growth through the state's colleges and universities, their science and engineering faculty, and their students. Increasing South Carolina's scientific and technological research competitiveness is critical.

As in every year, we ask that the faculty and staff of our higher education institutions be recognized as state employees and afforded the same benefits as any state employee—particularly in any pay plan for cost of living and/or merit adjustments as well as increases to employer contributions for health insurance and the South Carolina Retirement System.

USC Senior and Regional Campuses

The USC Senior campuses at Aiken, Upstate and Beaufort and the Regional campuses at Lancaster, Salkehatchie, Sumter, and Union are appreciative of the recurring parity funding provided in FY2008, but we would like to encourage a full study of the implications of parity for these institutions. This funding is part of the "Investment in Academic Excellence" initiative to retain our best and brightest faculty and students as well as recruit faculty and students who will contribute to the economic welfare of our state.

Addendum

All activities of the University of South Carolina's campuses directly support the mission of teaching, research and creative activity, and service. The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institution's mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University and satisfying our obligations to the citizens of South Carolina.

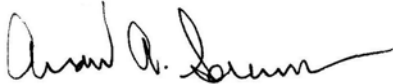
Provisos

The University of South Carolina is requesting amendments to two provisos (15.1 and 15.6) and the deletion of the following proviso:

89.97 (GP: Academic Center) Of the funds appropriated to the University of South Carolina Upstate for other operating expenses, \$100,000 shall be transferred to Spartanburg Community College to support the Academic Center.

The University, along with the State, has experienced unprecedented growth, prompting monumental challenges to successful attainment of the goals. Quite frankly, however, success will not occur without a long-term commitment from government, business and education. The University of South Carolina plays a critical role in delivering higher education throughout the state and it is hoped that the Office of the Governor and the State Legislature will continue to provide support for this mission.

Sincerely,



Andrew A. Sorensen

c: Dr. Mark Becker, Executive Vice President for Academic Affairs and Provost
Mr. Richard Kelly, Vice President and Chief Financial Officer
Ms. Leslie Brunelli, Budget Director
Dr. Garrison Walters, Director, S. C. Commission on Higher Education
Mr. Les Boles, Director, Budget and Control Board

FISCAL YEAR 2008-09 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B. Statewide Mission: **The University of South Carolina Beaufort (USCB), a small senior campus of the state's largest public university, brings the University of South Carolina's statewide mission of teaching, research, scholarship, and public service to the rapidly growing Lowcountry of South Carolina. USCB offers baccalaureate degrees that respond to regional needs, draw upon regional strengths, and prepare graduates to participate successfully in communities here and around the globe. The campus also supports the USC Extended Graduate Campus, which provides local access to graduate courses and programs.**

USCB offers programs in mathematics and the natural sciences, humanities, and professional and social sciences. Its curriculum is designed to promote acquisition of knowledge and, through it, the intellectual dispositions and skills that encourage depth of understanding, tolerance of others and individual accountability. Attracting a racially and culturally diverse student body of varying ages and experiences, the University of South Carolina Beaufort draws its students primarily from the South Carolina Lowcountry, with representation from other parts of the state, other states, and foreign countries. The University encourages students to think analytically and abstractly, to explore options, to see similarities, to be open to differences, to communicate effectively, and to respect each individual.

C. Summary Description of Strategic or Long-Term Goals:

- 1. Offer undergraduate degrees to meet the needs of the student population.**
- 2. Provide education in the major area which prepares the student for more advanced study and/or for employment in the field.**
- 3. Provide a learning environment that promotes the acquisition of knowledge and the development of skills that demonstrate depth of understanding, tolerance, accountability, and a commitment to diversity.**
- 4. Place value on quality of undergraduate education and an atmosphere of collegial support through the appropriate allocation of resources.**
- 5. Emphasize quality teaching and provide appropriate faculty-development resources to support teaching excellence.**
- 6. Emphasize research as an integral part of teaching in all academic areas of the University.**
- 7. Provide student development services and programs that assist students in achieving educational, career, and personal goals.**
- 8. Emphasize quality service and programs and provide appropriate staff development resources.**

9. Provide the appropriate resources and library and information technology services in support of teaching, research, scholarship, and public service.
10. Provide individuals with opportunities for lifelong learning and cultural enrichment.
11. Develop and maintain partnerships with other entities to better serve the educational needs of the geographic region.
12. Demonstrate the accomplishment of the mission of the University and continuous improvement in its educational programs and services.

D.

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Investment in Academic Excellence	0	1,500,000	0	0	\$1,500,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above <i>(if applicable)</i> : <u>1-12</u> Activity Number & Name: 510 Instruction										
Priority No.: 2	Title: Penn Center Early Childhood At- Risk Family Initiative	0	29,066	0	0	\$29,066		0	0	0.00
Strategic Goal No. Referenced in Item C Above <i>(if applicable)</i> : <u>3, 7,10-12</u> Activity Number & Name: 518 Penn Center										

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 3	Title: Our Heritage, Our Legacy, Our Future		100,000	0		\$100,000		0		0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable)</u> : Activity Number & Name: NEW										
TOTAL OF ALL PRIORITIES		\$ 0	\$1,629,066	\$ 0	\$ 0	\$1,629,066	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State	\$ 2,803,081
Federal	\$ 1,543,801
Other	\$ 13,918,131

F. Efficiency Measures:

South Carolina Commission on Higher Education Performance Funding Rating for FY04-05: Achieves – 82% - 2.45 out of 3
(This is the last year that the South Carolina Commission on Higher Education provided this data.)

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.1	Project Name: Upfit Sci-Tech Activity Number & Name: 515 Operations & Maintenance	Project No 1	\$2,900,000	0	200,000	\$3,100,000
Priority No.2	Project Name: Upfit Library Activity Number & Name: 515 Operations & Maintenance	Project No2:	3,200,000	0	200,000	\$3,400,000

Priority No.3:	Project Name: Academic Classroom Bldg. Activity Number & Name: 515 Operations & Maintenance	Project No3:	15,000,000	0	500,000	\$15,500,000
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$21,100,000	\$ 0	\$900,000	\$22,000,000

* If applicable

H. Number of Proviso Changes: **NONE**

I. Signature/Agency Contacts/Telephone Numbers:

Richard W. Kelly
Vice President and Chief Financial Officer
(803) 777-7481

Leslie G. Brunelli
Budget Director
(803) 777-1967

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B. Priority No. **_1_ of _3_**

C. (1) Title: **Investment in Academic Excellence**

(2) Summary Description:

New teaching faculty will be employed to replace retiring faculty and address additions in our expanded academic programs. Enrollment has increased over 40 % over the past 6 years. As change continues, the use of part-time faculty teaching on a course-by-course basis is necessary, but must be limited to standards for accreditation by SACS.

(3) Strategic Goal/Action Plan (*if applicable*):

The mission of USC Beaufort is to educate the citizens of the South Carolina. USCB would like state support consistent with SC peer institutions as related to our size. As we continue to build our new four- year campus, adequate operating allocations will be needed to maintain our current academic infrastructure.

D. Budget Program Number and Name: **Education and General – Unrestricted - 10010100**

E. Agency Activity Number and Name: **510 Instruction**

F. Detailed Justification for Funding

(1) Justification for Funding Increase: **Funding per student and the state support as computed by the MRR established by CHE has shown great disparity. This funding will be primarily directed to new faculty positions and support services. Funding is needed to improve our academic offerings and thus continue to provide the citizens of South Carolina low tuition.**

USC Beaufort currently has 80% percent of the enrollment from SC with 35% minority students. During the fall of 2007 we will experience a 10% enrollment increase, welcoming 600 new students, requiring special student support services integrated with classroom activities to insure successful transition from high school through college graduation. USCB has put in place many new initiatives to ensure greater retention of these new students.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Personal Service		1,125,000			\$1,125,000
(c) Employer Contributions		375,000			\$375,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$1,500,000	\$ 0	\$ 0	\$1,500,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 2,803,081
Federal	\$ 1,543,801
Other	\$13,918,131

(4) Is this priority associated with a Capital Budget Priority? **NO** If yes, state Capital Budget Priority Number and Project Name: _____

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State 21.49
Federal
Other 116.85

Agency-wide Vacant FTEs as of July 31, 2007: 31.1862
% Vacant 23.27 %

H. Other Comments:

- A. Agency Section/Code/Name: **15D/H36/USC Beaufort**
- B. Priority No. **_2_ of _3_**
- C. (1) Title: **Penn Center Early Childhood At-Risk Family Initiative**
 (2) Summary Description: **The Penn Center Partnership provides comprehensive child development and family support services to low income families with preschool children to help meet the national goal of ensuring that all children in America will start school ready to learn.**
 (3) Strategic Goal/Action Plan (*if applicable*): **3, 7, 10-12**
- D. Budget Program Number and Name: **I. and II. Education and General – Unrestricted - 10010100**
- E. Agency Activity Number and Name: **518 Penn Center**
- F. Detailed Justification for Funding
 (1) Justification for Funding Increase: **Current funding is \$180,240 and this increase is necessary to expand the services. The beneficiaries of this particular project will be the students who attend USC Beaufort through the family initiative program. Continuous improvement in student learning as the foundation of this project, we expect our comprehensive approach will result in a student culture where academic achievement and intellectual excellence are normal expectation.**

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Personal Service		10,000			\$10,000
(c) Employer Contributions		2,500			\$2,500
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		16,566			\$16,566
Total	\$ 0	\$29,066	\$ 0	\$ 0	\$29,066

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State \$ **2,803,081**
Federal \$ **1,543,801**
Other **\$13,918,131**

Is this priority associated with a Capital Budget Priority? **NO** If yes, state Capital Budget Priority Number and Project Name: _____

G. Detailed Justification for FTEs

New faculty positions will be needed to compete with current growth trends

(1) Justification for New FTEs

(c) Justification:

(d) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State ___**21.49**___
Federal ___
Other ___**116.85**___

Agency-wide Vacant FTEs as of July 31, 2007: **31.18**

% Vacant ___**23.27**___%

H. Other Comments: **This has been submitted as a Below-the-Line request to the Commission on Higher Education. Currently, the Penn Center receives recurring funding of \$180,240 and this will represent of increase of \$29,066 to cover increased operating costs.**

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B. Priority No. **_3_ of _3_**

- C. (1) Title: **Our Heritage, Our Legacy, Our Future – Quality Enhancement Program (QEP)**
(2) Summary Description: **A comprehensive academic program designed to improve student learning.**
(3) Strategic Goal/Action Plan (*if applicable*): **Strengthen and Expand Academic Offerings.**

D. Budget Program Number and Name: **Agency-wide**

E. Agency Activity Number and Name: **NEW**

F. Detailed Justification for Funding

(1) Justification for Funding Increase: **USC Beaufort requests funding in order to develop and implement a comprehensive academic program designed to improve student learning and that will involve every segment of the university community. Currently, our MRR funding model states we are at 54%. USC Beaufort's transition to 4-year status has not been funded adequately.**

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Personal Service		60,000			\$60,000
(c) Employer Contributions		15,000			\$15,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		25,000			\$25,000
Total	\$ 0	\$100,000	\$ 0	\$ 0	\$100,000

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	\$ 2,803,081
Federal	\$ 1,543,801
Other	\$13,918,131

Is this priority associated with a Capital Budget Priority? **NO** If yes, state Capital Budget Priority Number and Project Name:

G. Detailed Justification for FTEs

New faculty positions will be needed to compete with current growth trends

(1) Justification for New FTEs

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State	<u>21.49</u>
Federal	<u> </u>
Other	<u>116.85</u>

Agency-wide Vacant FTEs as of July 31, 2007: 31.18

% Vacant 23.27%

H. Other Comments:

This project was also submitted as a Below-the-Line request for 2009 to the South Carolina Commission on Higher Education. The beneficiaries of the funding will be the students who attend USC Beaufort. With continuous improvement in student learning, we expect our comprehensive approach will result in a student culture where academic achievement and intellectual excellence are the normal expectation.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **15D/H36/USC Beaufort**
- B. Priority No. **_1_** of **_3_**
- C. Strategic Goal/Action Plan (*if applicable*): **1) Strengthen and expand academic offerings.**
(2) Provide an environment conducive to teaching and learning
- D. Project Name and Number (*if applicable*): **USCB South Campus Science and Technology Upfit**
- E. Agency Activity Number and Name: **515 Operations and Maintenance**

F. Description of Priority:

USCB will complete the upfit of the science and technology building to complete the need for laboratory space for our nursing program. This upfit will consist of an additional approximately 15,000 square feet. The structure is needed to provide additional classroom, lab and practicum space for our newly approved nursing program. USCB has experienced a 40% enrollment growth during the past six (6) years. In August 2007, preliminary enrollment shows the incoming student population to be include more than 600 new students.

G. Detailed Justification for Funding

- (1) Justification for Funding Priority: **USCB South Campus has 12 operational classrooms that are continuously used from 8 a.m. – 9:30 p.m. daily. The Nursing Program will need highly specialized space to allow USCB to offer the four (4) degree program. Enrollment projections for the next 3-5 years indicate that USCB enrollment will expand to possibly 2,000 students. With this anticipated growth, 12 additional classrooms will be needed as soon as possible. This project was included in the 2007 CPIP and was listed as priority number one.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	2,900,000			2,900,000

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? YES

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. Other funds

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: 2009-2010 Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs				200,000	\$200,000
Total	\$ 0	\$ 0	\$ 0	\$200,000	200,000

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B. Priority No. **2** of **3**

C. Strategic Goal/Action Plan (*if applicable*): **1) Strengthen and expand academic offerings.
(2) Provide an environment conducive to teaching and learning**

D. Project Name and Number (*if applicable*): **USCB South Campus Library Upfit**

E. Agency Activity Number and Name: **515 Operations and Maintenance**

F. Description of Priority:

USCB will construct a classroom building consisting of approximately 12,000 square feet. The structure is needed to provide additional classroom space to support our instructional technology curriculum as detailed in our SACS presentation as part of our four-year accreditation status. USCB has experienced a 40% enrollment growth during the past six (6) years. This facility will help retain our current students and provide an academic rich environment for future student.

G. Detailed Justification for Funding

(1) Justification for Funding Priority: **Current class sizes are exceeding capacity. The learning center will be a key ingredient to retaining our current and future students. This project was included in the AMENDED 2005 CPIP and is a major priority in the 2007-2008 version listed as priority number two.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	3,200,000			3,200,000

* *If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? YES

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. Other Funds

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: 2007-2008 Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs				200,000	\$200,000
Total	\$ 0	\$ 0	\$ 0	\$200,000	\$200,000

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	0

J. Other Comments:

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B. Priority No. **_3_ of _3_**

C. Strategic Goal/Action Plan (*if applicable*): **1) Strengthen and expand academic offerings.
(2) Provide an environment conducive to teaching and learning**

D. Project Name and Number (*if applicable*): **USCB South Campus Classroom Building**

E. Agency Activity Number and Name: **515 Operations and Maintenance**

F. Description of Priority:

USCB will construct a classroom building consisting of approximately 40,000 square feet. This facility will be adjacent to the Science and Technology Building on the USCB South Campus. The structure is needed to provide additional classroom space for a rapidly expanding student population. USCB has experienced a 40% enrollment growth during the past six (6) years. In August 2007, preliminary enrollment predicts an incoming student population in excess of 600 new students. The South Campus currently has 12 operational classrooms. The growth experienced so far, and the anticipated growth in the fastest growing region of South Carolina, emphasizes the critical need to expand academic facilities to meet the growing student population.

G. Detailed Justification for Funding

(1) Justification for Funding Priority: **USCB South Campus has 12 operational classrooms that are continuously in use from 8:00 a.m. – 9:30 p.m. daily. Saturday courses have been scheduled to meet current demand. Class sizes are at capacity. Enrollment projections for the next 3-5 years indicate that USCB enrollment will expand to possibly 2,000 students. With this anticipated growth, 12 additional classrooms will be needed as soon as possible.**

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	15,000,000			15,000,000

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? YES

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. Other Funds

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: 2007-2008 Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs				500,000	\$500,000
Total	\$ 0	\$ 0	\$ 0	\$500,000	\$500,000

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(2) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 510 Instruction	2,803,081	201,157	0	0	3,680,756	\$6,684,994	58.16
Activity Number & Name: 514 Student Services	0	108,529	0	0	2,017,519	\$2,126,048	19.19
Activity Number & Name: 513 Academic Support	0	0	0	0	2,023,763	\$2,023,763	21.61
Activity Number & Name: 515 Operations & Maintenance	0	0	0	0	1,835,634	\$1,835,634	11.88
TOTAL OF HIGHEST PRIORITIES	\$2,803,081	\$309,686	\$ 0	\$ 0	\$9,557,672	\$12,670,439	110.84

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

A. Agency Section/Code/Name: **15D/H36/USC Beaufort**

B. Agency Activity Number and Name:

C. Explanation of Lowest Priority Status:

D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institution's mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University and satisfying our obligations to the citizens of the State of South Carolina.

F.

[illegible]